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ABSTRACT

This study examined the effects of budget reductions in the 1990s on public higher education systems in six major states. Finance officers at the campus, system, and state level in California, Florida, Massachusetts, New York, Texas, and Wisconsin were surveyed regarding budget reductions, approaches to reduction allocation, the impact of budget reductions, and the degree of institutional restructuring brought about by the budget reductions. It was found that college and university systems generally did not use their planning and budgeting authority to shape system and campus priorities in the face of budget reductions; instead, they relied mostly on short-term measures such as enrollment reductions, tuition and fee increases, vacancies and salary freezes, and early retirements. The results suggest that campuses, especially comprehensive institutions, took a more proactive approach, engaging in short- and long-term planning and reallocating resources selectively. More than a third eliminated degree programs. However, campuses did not depart significantly from the systems' preference for short-term, cost-saving measures such as hiring and salary freezes. In regard to the quality of and access to education, the results suggest a reduction in student access, followed by a decline in undergraduate education quality. (MDM)

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The Impact of State Budget Cuts on Public Higher Education 1990-96: The Cuts are Clear; The Consequences are Cloudy

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Dolores Vura
Editor
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Abstract

In the early 1990s, public higher education nationally received the worst state budgets in four decades, yet the real impact on students and society remains in doubt. The cuts were clear, but their consequences are cloudy. We know nationally, and state by state, the reduced level of state appropriations for public colleges and universities. What is missing is an account of how institutions accommodated these cuts and how their actions affected the quality and quantity of their programs and services. This paper provides such an account by comparing and analyzing the experiences of six states during the 1990s: California, Florida, Massachusetts, New York, Texas, and Wisconsin.

Introduction

According to Gold (1995, p. 3) "the early 1990s were stressful years for state governments. Several governors described the fiscal crisis as the most severe since the Great Depression." He concluded that public higher education was a "big loser" in the budget battles of the early nineties to corrections, health care, welfare, and K-12 education. Hines labels the early 1990s as "bleak years" for public colleges and universities. In 1992-93, for the first time in history, the national average in state funding for higher education fell below that for the previous year.

The cuts are clear, but their consequences are cloudy. We know nationally, and state by state, the reduced level of state appropriations for public colleges and universities. What is missing is an account of how institutions accommodated these cuts and how their actions affected the quality and quantity of their programs and services. Did campus leaders treat the reductions of the early 1990s as signaling a historic shift in state support of public higher education or as a momentary dissatisfaction with its costs and performance? Did the responses of state colleges and universities suggest a reordering of priorities and restructuring of operations to reduce costs and raise performance or merely a forced reaction to a temporary crisis? These questions are critical for government and campus policy makers for the consequences are what counts for students, states, and society.

Purpose of the Study

The purpose of this study is to examine public higher education systems and their campuses in six major states that actually implemented the reductions in state support. The states are California, Florida, Massachusetts, New York, Texas, and Wisconsin. All six have multi-campus systems, represent a range of the nation's regions and reflect the economic, cultural, and political differences that exist among the states.

The study investigates what was cut and analyzes what these decisions suggest about plans and

priorities at state colleges and universities. The ultimate goal is to determine whether state colleges or universities reacted with short-term adjustments or responded with long-term restructuring.

Research Methodology

This is an exploratory study of state, system, and institutional responses to the fiscal constraints of the first half of the 1990s. To discover the reactions to the problems of the period, separate surveys were sent to the finance officers of state coordinating or planning agencies, university systems, and comprehensive campuses and research universities. The study did not include two-year colleges due to the variations in their financing methods.

For analysis and presentation purposes, public institutions are grouped in two categories:

- comprehensive campuses, which include institutions in the six states classified by the Carnegie Foundation as Master's I and II, Baccalaureate I and II, and Specialized with the highest offerings baccalaureate or master, and

- graduate and research campuses, which include institutions in the six states classified by the Carnegie Foundation as Research I and II, Doctoral I and II, and Schools of Law or Medicine.

The surveys were first mailed on October 1997 and a follow-up was mailed in November 1997. At the system and campus levels, the survey population included all finance officers of public comprehensive and graduate and research campuses and their systems. At the state level, the survey population included the five State Higher Education Finance Officers (SHEFOs) (Wisconsin has no statewide coordinating or planning body).

All five SHEFOs and all of the finance officers of the twelve systems surveyed responded. The institutional response rate reached 68 percent, running from a high of 90 percent in Florida to a low of 54 percent in Massachusetts and Wisconsin. The responding institutions included a

representative sample of research universities and comprehensive campuses, as well as a good mix of institutional types and a reasonable number of units in each of the twelve systems. The surveys were sent to finance officers to ensure a single, knowledgeable contact. However, the answers from systems and institutions required input from officers in academic affairs and institutional research. Telephone conversations with some of the respondents confirmed that their replies represented collective responses, based on input from several offices.

The three survey groups received different questionnaires. However, some of the questions were similar for all groups in order to permit a comparative analysis of their responses. The questionnaires addressed the following general areas:

- the extent of the fiscal problem;
- the planning process and major participants;
- the approaches to reduction allocation;
- the changes in budgeting and governance;
- the impact on personnel, curriculum, teaching, learning, research and service;
- the degree of system and institutional restructuring; and
- the alteration in missions, programs and enrollment strategies.

A descriptive and exploratory analysis of the survey data was conducted across the six states, among the three respondent groups within and across the states, and among types of institutions (comprehensive campuses and graduate and research campuses) within and across the states. The statistical analysis performed was limited to the calculation of means, standard deviations, frequencies, and percentages.

Survey Results

This section summarizes the most important findings of the study.

Role of tuition and fee increases in filling the budget gap

Respondents were asked to what extent did tuition and fee increases fill the gap between state funding and necessary budgets. The response choices followed a Likert scale (fully, significantly, moderately, slightly, and none). Only SHEFOs in California and Massachusetts considered that these increases filled significantly the budget gap. The respondents from New York, Florida and Texas felt the role of tuition and fee increases was moderate. Nine of the twelve system officers perceived it as significant. California system officers rated the contribution of tuition and fee increases as moderate. Only the Florida State University System (FSUS) officer thought the increases provided no help. The responses in Florida and Texas seem justified by the decision of the legislatures in these states to limit in-state tuition increases.

Institution finance officers had a different perspective. The respondents from graduate universities thought the increase played a slightly more significant role than their counterparts from comprehensive campuses. More than half of the respondents from graduate institutions in California, Texas, and Wisconsin and comprehensive institutions in Massachusetts believed tuition and fee increases filled the drop in state support significantly. The rest of institutional respondents from the other states felt the increases helped only slightly or moderately.

Planning

Respondents were queried about the development of plans. All five higher education coordinating agencies allowed full discretion to systems and campuses in dealing with the funding

cuts or constraints. Only in Florida, did the legislature reserve the right to approve system and campus plans.

Systems did not seem eager to take advantage of this discretion. Only University of California (UC), University of Massachusetts (UM), City University of New York (CUNY) and University of Wisconsin (UW) developed systemwide plans. The first two developed a combination of short (one year)-, middle (two years)-, and long-

term (more than two years) plans, while the latter focused on a medium-term range. However, the UC system officer provided a comment that suggested full discretion to campuses: "Budget cuts of $433 million were distributed to the campuses. Campuses were given discretion as how to take the cuts." FSUS, Texas A&M (TX A&M) and Texas State University (TX State) developed guidelines, but they also cited full discretion to campuses. California State University (CSU), Massachusetts State Colleges (MSC), State University of New York (SUNY), and University of Texas (UTX) allowed full discretion to campuses without developing plans or guidelines, although New York, California, and Massachusetts had the most severe problems. Seven of the systems did not retain the right of approval of campus plans.

Institutions had to tackle the problem mostly on their own. Only a small percent of responding institutions did not develop any type of plan. Graduate institutions preferred middle-term plans or a combination of short-, middle-, and long-term plans. Comprehensive institutions emphasized either short-term plans or a combination of the three.

The distribution of the budget reduction

One of the survey questions inquired about the primary method of distributing budget reductions from systems to campuses, and by campuses to their units. Respondents could chose

across-the-board or selective distribution.

Systems from all states but Texas distributed the budget reductions across-the-board to campuses. In Texas, systems do not play a role in budget distributions because appropriations are allocated directly to institutions. SUNY used across-the-board distribution only after 1994, applying a selective approach during 1990-94.

Campuses preferred the selective allocation to their units. More than half of the institutions, both comprehensive and research, distributed the budget reductions selectively. In Florida and New York, however, across-the-board was the method of choice for research institutions. In Wisconsin, one of the graduate campuses used selective distribution and the other across-the-board. Across-the-board also dominated in California institutions. Campuses in Massachusetts and Texas distributed the budget reduction mainly selectively. Except for California, the majority of comprehensive institutions in the other systems used selective internal distributions.

Changes in public higher education governance

At the system level, CUNY and UM opted for more centralization. CSU, MSC, SUNY, University of Houston (UH) and UW indicated a change toward decentralization. The remaining systems indicated no change. Institutions were not asked a similar question.

Changes in public higher education structure

Seven of the systems indicated that a restructuring of their organization and operations occurred during the period. They included: CSU, UC, MSC, CUNY, TX A&M, UH, and UW. The most cited measures were devolution of functions and services to campuses and closure or consolidation of services. Only UC did not close or consolidate services and CUNY did not devolve functions and services to campuses, since it pursued centralization. Other measures such as

reduction of number of senior officers and contracting out services were used to a lesser extent.

The restructuring steps were more numerous at the campus than at the system level. They were determined partly by the methods campuses themselves chose to distribute internally the budget reductions and partly by state mandates that required administrative reductions.

- Main personnel strategies implemented

The states imposed measures such as early retirement and vacancy, hiring, and salary freezes. Institutions themselves also imposed these measures along with layoffs and, in the case of graduate universities, salary reductions. Only responses from California and Massachusetts indicated that the state imposed layoffs for comprehensive institutions and only in the former state, salary reductions for graduate universities. In the other four states, such measures, if imposed, were the result of institutional initiatives. Only the comprehensive institutions in New York indicated the use of contract buyouts as a major personnel strategy. Massachusetts was unique in having the state impose no personnel strategy for its graduate universities. At the system level, no change in personnel strategies occurred for the comprehensive institutions in TX State and UTX and for all institutions in the UH. This latter system was the only one of the twelve in the study that did not implement any of these personnel strategies for its graduate universities.

- Institutional productivity and efficiency actions

All institutions indicated implementation of some actions to improve productivity and efficiency. The predominant ones were increasing the use of technology for teaching and learning, the class sizes, and the ratio of part-time to full-time faculty. Graduate universities cited the increase of the faculty teaching load as the second most utilized approach after use of technology. Increasing class sizes was the main action taken by comprehensive institutions.

California and Florida's graduate institutions relied most heavily on increasing the faculty teaching load, whereas none of the institutions in Massachusetts took this action. Most institutions in the two former states tried almost all choices listed as possible answers to the survey question: increasing the ratio of part-time to full-time faculty, reducing faculty in fields with low enrollment, increasing class sizes, increasing the use of technology for teaching and learning, and reducing time-to-degree.

- Class/section reduction

More than 40 percent of the responding graduate campuses and more than 65 percent of comprehensive institutions indicated some class or section reductions. Graduate universities in California and Texas preserved most of their classes and sections. All comprehensive institutions in California, on the other hand, indicated some class/section reductions. Forty-five percent of them cut more than 10 percent of their class or section offerings. None of the groups of institutions in the other states reached that high a level. Some comprehensive institutions in New York did indicate reductions between 6-8 percent of class offerings. All comprehensive institutions in UM and UH cut between 4-6 percent of their classes or sections.

- Institutional areas combined or eliminated

The combination or elimination of units, offices and activities in various areas paralleled the implementation of productivity and efficiency measures. The areas included campus central administrations; colleges, schools, faculties; departments; academic support; student affairs; and maintenance and operations. Respondents cited the campus central administrations as the area most affected by combination or elimination of units, offices and activities followed by maintenance and operations. Overall, TX State, UH, and UTX maintained most of the areas, with the exception of campus central administrations.

Comprehensive institutions used elimination or restructuring in all the areas more than their graduate

counterparts. Of the six states, institutions in Wisconsin were the most aggressive in this realm. Most of the Wisconsin respondents combined or eliminated units, offices, and activities in all areas listed (academic support services, student services, administrative services, and maintenance and operations). Graduate campuses in Florida indicated no such actions.

- Privatization of activities or services

Less than a third of the respondents indicated privatization of activities or services. Forty-six percent of institutions from Texas used privatization as compared to 41 percent in California, 33 in Florida, 14 in Massachusetts, 23 in New York, and 0 in Wisconsin. Half of the comprehensive institutions in Florida and California privatized some of the areas. All comprehensive institutions in the UH and UM privatized some of the areas.

Maintenance and operations were the primary areas targeted for privatization followed by administrative services. Institutions in California privatized more areas, including academic support services and student services. Only comprehensive institutions in UH and TX A&M joined their counterparts in California in privatizing these activities.

Academic program closures and/or campus consolidations/closures

None of the five SHEFOs indicated that the coordinating bodies proposed formally or suggested informally campus consolidations or closures. Actually during the period, Florida decided to open its tenth public university (Chronicle of Higher Education, 1992). The closure or consolidation of campuses was not pursued by systems either. Only one of the systems proposed and consolidated a campus. Respondents' comments indicated that such measures are politically unpopular and extremely difficult to accomplish. The one consolidation reported was just a minor administrative merger.

Texas, Massachusetts and New York proposed closures of academic programs. Texas Higher Education Coordinating Board led in terms of both proposed and achieved academic programs closed: two hundred were targeted for closure and the target was achieved. However, these were programs with low or no enrollment and campuses agreed to close them. Massachusetts Board of Higher Education indicated just the number of programs closed, which reached twenty. In New York, the respondent did not indicate how many closures were proposed but reported the closure of five doctoral programs.

Systems did pursue program elimination. UC, MSC, UM, CUNY, and UW did propose and achieved program closures, although not as many as initially identified. UW system closed 54 programs, followed by UM with 25 closures, MSC achieved 23, and UC 3. The main reason for not achieving the proposed numbers was the resistance from campus presidents and local communities.

Only 37 percent of the responding institutions eliminated degree programs. Comprehensive institutions were more active in this respect than their graduate counterparts - 44 percent versus 19 percent. Except for institutions in Florida and Texas, in all other states, a significant percent of respondents, especially comprehensive institutions, indicated elimination of degree programs. All comprehensive institutions in UM and almost all in CUNY and UW eliminated some degree programs. New York and, surprisingly, Texas reported the highest numbers, 52 and 59, respectively (these numbers could be higher since many institutions did not indicate the number). The majority of degree programs eliminated were undergraduate, only a few Masters, and just two Doctorates.

Redesign of undergraduate curriculum

As in other areas, comprehensive institutions seemed much more active in redesigning the undergraduate curriculum than their graduate counterparts. Institutions in Florida and Wisconsin

were the most involved in such activities whereas those in Texas and Massachusetts were the least involved. All responding comprehensive institutions in UM did indicate redesigning the undergraduate curriculum while none of the institutions in UH took such action.

The predominant measures for institutions were decreasing the credit hours for graduation followed by decreasing credit hours for academic majors. It must be noted that, overall, only a small percent of all responding institutions did either.

Change of campus missions

The budget difficulties of the 1990s did not push systems or institutions to change their missions. However, five system finance officers indicated that their systems revised campus missions. The five systems included FSUS, SUNY, UH, UTX, and UW. Campuses seemed to lead the initiation of mission changes. Florida was the only state where legislators, the system board and system administration officers took the lead rather than the campuses. This response reaffirms the strong tradition of legislative mandates in Florida.

Comprehensive institutions tended to be more active in changing their missions than graduate universities. New York is the only state where the percent of responding graduate universities indicating mission change was higher than that of comprehensive institutions. The largest percent of institutions indicating such a change was that of comprehensive campuses in Wisconsin seconded by both comprehensive and graduate campuses in Texas.

Changes in enrollment strategies

System and institution finance officers were queried about changes in enrollment strategies. Possible actions included increase enrollment, decrease enrollment, shift more first-time students to community colleges, increase enrollment of two-year college transfers, increase enrollment of out-

of-state students, or increase enrollment of in-state students. Six of the systems did not change their existing enrollment strategies. They were: UC, FSUS, SUNY, TX State, UH, and UTX. CSU and UM sought to decrease its enrollment by cutting admissions and shifting more first-time students to community colleges. MSC preferred to shift more first-time students to community colleges and increase the enrollment of transfer students. CUNY and TX A&M sought to increase their enrollment. During 1987-95, enrollment at UW was reduced by over 12,000 FTE in order to achieve a level of spending per student comparable with the peer national average. However, the University has reversed this policy, trying to increase enrollment by 4,000 FTE for 1995-2001.

At the campus level, overall, more than half of respondents indicated a change in enrollment strategy with comprehensive institutions much more active in this area than their graduate counterparts. Only in Florida and Wisconsin, the majority of graduate universities changed their enrollment strategy whereas institutions in Massachusetts were the least concerned about taking this action. Graduate universities tended to decrease enrollment during the period and comprehensive campuses did the opposite. The increase of enrollment was achieved mainly by increasing the enrollment of transfer students in California, New York, and Texas. Graduate universities in Texas increased the enrollment of in-state students. Comprehensive institutions in Wisconsin indicated an effort to increase enrollment of out-of-state students. Only graduate institutions in UM, TX A&M, and UTX did not change their enrollment strategy.

Factors influencing budget allocations

SHEFOs, system and institution finance officers were asked to rank the importance before 1990 and after 1996 of the following elements in the budget allocations to campuses: base budgets, enrollments, salary increases and inflation, institutional missions, performance, productivity, and

special projects and programs. The relative importance of funding factors for allocations to campuses shifted only slightly during the period. According to SHEFOs in California, Florida, and Massachusetts, base budgets remained the most important factor in setting campus budget allocations. In New York, enrollments remained the most important factor, whereas in Texas institutional missions continued to have the main influence. The other factors considered in the budget allocations also tended to maintain their relative importance.

The only notable exception comes from New York. The SHEFO in this state indicated that productivity replaced base budgets as the second most important factor. Two notable initiatives might have prompted this response. SUNY is considering the implementation of a new Resource Allocation Model in 1998-99, which would incorporate, along with enrollment, performance and mission-related components assumed to be correlated with institutional productivity (State University of New York Resource Allocation Methodology Committee, 1997). The most recent effort of CUNY to promote productivity was the decision of its Board of Trustees in October 1997 to tie the addition of new faculty positions on CUNY campuses to graduation rates and other efficiency standards (Selingo, 1997).

The responses from the system finance officers show a few shifts in the allocation factors. Base budgets, enrollments, and salary increases and inflation remained the dominant factors. Some exceptions occur. For CSU, base budgets became more important after 1996 than enrollments. At CUNY, salary increases and inflation, which were the second in importance before 1990, fell in the fifth place. After 1996, at CUNY, base budgets, enrollments, and special programs became the top three factors. CSU, CUNY, and UTX ranked special projects or programs in the top three factors. Overall, institutional missions became less and performance slightly more important.

Institutional responses were even more conservative than the state and system ones. Overall, base budgets, salary increases and inflation, and enrollments were the most important before 1990 and remained so after 1996. Generally, institutional missions, performance, productivity, and special programs continued to be least important in the process of budget allocation.

Impact of state funding on quality and access

All respondents were asked to indicate their assessment of the impact of the state funding in the first half of the 1990s on the quality of and access to undergraduate education, and the quality of graduate education, research and public service. Of the five SHEFOs, those from California and Massachusetts considered that access to undergraduate decreased, the one from Texas felt it increased, and the other two thought it was maintained. The SHEFOs from Massachusetts and New York felt the quality of undergraduate education decreased, while the others reported maintenance. The New York SHEFO perceived a decline in the quality of graduate education, research, and public service. The others claimed maintenance. Only the SHEFO from Massachusetts thought the quality of public service declined.

The responses of system finance officers partially confirm and partially contradict the SHEFOs' assessment of the impact. At one extreme, TX A&M indicated that all five characteristics improved. At the other extreme, UTX and CUNY reported a decline in quality of and access to undergraduate education. Except for UW, which did not answer this question, the other systems cited change of at least one characteristic. Only UC felt that the quality of research declined. The system officers of the other systems indicated maintenance and three (UM, TX A&M, and UH) indicated higher quality. Four systems reported a decline in undergraduate access (CSU, MSC, UM, and SUNY). CUNY and UTX system officers perceived a decline in the quality of graduate

education. UC indicated a decrease in the quality of public service whereas TX A&M and TX State felt that it increased.

Campuses, however, perceived greater erosion of quality and access. This was particularly evident from the institutional responses of California and New York. Forty-one percent of all responding institutions cited reduction of undergraduate access and 30 percent a decline in the quality of undergraduate education. More comprehensive than graduate institutions reported a fall of undergraduate access (44 percent versus 35 percent). Equal percentages indicated decline of quality of undergraduate education. Generally, respondents felt that the quality of graduate education, research, and public services was maintained. Fewer than 20 percent of either comprehensive or graduate campuses, perceived reduced quality of graduate education. However, more than a quarter of each type of institutions indicated a decrease in the quality of public service. Institutions in Florida, in particular, felt that the quality of public service mainly decreased. The quality of research did not seem to decline, although more comprehensive campuses than graduate universities reported a decrease (23 percent versus 15 percent).

Conclusion and Discussion

The decline in state funding in the first half of the 1990s spurred bleak predictions for public higher education across the country. In 1995, Breneman wrote: "California ... provides an instructive case of what a higher education disaster might look like. ... Higher education in California is in a state of emergency and continuing current policies will deny hundreds of thousands of young citizens the opportunity to attend college." Cobb and Edmonds (1995) echoed Breneman when writing about Florida: "Over the last seven years [in Florida], both the state universities and community colleges have suffered an effective 30% drop in funding per student

(adjusting for cost-of living and enrollment increases)....Florida now ranks dead last among Southern states in per capita state support of public universities..." The dramatic decline in state funding in Massachusetts between 1988-92 "came only a few years after state leaders began a concerted effort to improve the public institutions, which had been overshadowed by private colleges"..."the effects were devastating" (Chronicle of Higher Education, 1993, p. 77). In New York, "the recession's budget cuts hit both systems hard, forcing reductions in staff, deferrals of maintenance on older buildings, and reassessment of the way business is done" (Chronicle of Higher Education, 1993, p. 92).

However, "the way business is done" in public higher education in the six states of the study does not seem to have actually changed much, on the contrary, "... observers see only isolated examples of fundamental change" (Lively, 1994). The results of the surveys appear to confirm this conclusion. Since the state coordinating bodies have little or no authority over the budget decisions in these states, systems and campuses had full discretion in dealing with the constraints of the period. However, systems did not seem eager to take charge of the situation. Most of them did not use their planning and budgeting authority to shape system and campus priorities. Only four of them developed systemwide plans and the others issued only guidelines or let campuses decide on their own. Only in Florida, did the legislature reserve the right to approve system and campus plans. Whereas the lack of system leadership in planning and budgeting is consistent with the reported move toward decentralization, it certainly raises questions regarding the current and future role and mission of systems for public higher education in general.

Our study indicates that systems relied mostly on short-time measures such as enrollment reduction, tuition and fee increases, vacancy and salary freezes and early retirements. They

emphasized raising revenues and restricting expenses and neglected reshaping missions and priorities. Systems did pursue efficiency actions such as restructuring and downsizing their own administrations and reducing duplicative academic and degree programs. Through their actions, most systems chose quality over access.

Campuses had to tackle the difficulties of the first half of the 1990s mostly on their own. Institutional responses suggest that campuses, especially comprehensive institutions, took a much more proactive approach than their systems. Comprehensive campuses engaged to a greater extent than research universities in both short- and long-term planning. Campuses did not refrain from reallocating resources selectively. They did make efforts to maintain academic support, student services, and organized research support by reducing the budgets for institutional support and operation and maintenance. However, campuses did not depart significantly from the systems' preference for short-term, cost-saving measures such as early retirement, and vacancy, hiring, and salary freezes. Some of them took these measures a step further by also imposing layoffs and salary reductions. Nevertheless, campuses did preserve their full-time non-tenured and tenured faculty.

Campuses pursued improvement of efficiency and productivity through increased use of technology for teaching and learning purposes, class sizes, ratio of part-time to full-time faculty, and faculty teaching loads. They avoided reducing the sections and/or classes offered but more than a third eliminated degree programs. Colleges and universities followed the system example by restructuring and downsizing their central administrations but avoided privatization of activities and services. Campuses split in terms of changes in enrollment strategies with graduate and research universities mainly decreasing enrollment while their comprehensive counterparts tried to increase it. The problems of the 1990s did not seem to influence the priorities influencing budget allocations.

Base budgets, salary increases and inflation, and enrollments continue to drive the budget decisions at the campus level.

Colleges and universities were slightly more proactive than their systems regarding the reshaping of their missions. Comprehensive institutions increased the emphasis on undergraduate education while also pursuing enhancement of graduate education and research. Their graduate counterparts, however, did not appear too concerned about the criticisms related to the quality of undergraduate education and continued to emphasize graduate education and research. Where redesign of undergraduate curriculum occurred, it involved mostly reducing credit hours for graduation and for academic majors.

Regarding the impact on the quality of and access to undergraduate education and quality of graduate education, research and public service, reactions are mixed. The underlying finding, however, is the reduction of student access followed by the decline of undergraduate education quality. Graduate education, research, and public service seem to have suffered the least or not at all.

Overall, the responses to the changes in the finance of public higher education in the 1990s did not appear to lead to substantive policy initiatives or long-term planning. Most of the measures implemented were short-term, cost-saving approaches that had a negative impact on the access to and quality of undergraduate education. The three trends emerging from the financial constraints of the first half of the 1990s that appear to have a lasting effect are: the decentralization of system governance, the adoption of revenue-raising strategies once the preserve of private schools, and the shift of burden for paying for college from the states to the students and their parents.

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